

Babette A. Ceccotti (BC 2690)
COHEN, WEISS AND SIMON LLP
330 West 42nd Street
New York, NY 10036
(212) 563-4100

- and -

Niraj R. Ganatra
International Union, UAW
8000 East Jefferson Avenue
Detroit, MI 48214
(313) 926-5216

Attorneys for International Union, UAW

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11
	:	
DELPHI CORPORATION, <i>et al.</i> ,	:	
	:	Case No. 05-44481 (RDD)
	:	(Jointly Administered)
Debtors.	:	Hearing Date: April 7, 2006 at 10:00 a.m
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**RESPONSE OF UAW IN SUPPORT OF DEBTORS' MOTION FOR APPROVAL
OF UAW SPECIAL ATTRITION PROGRAM**

[Relates to Docket No. 2933]

International Union, United Automobile, Aerospace & Agricultural Implement Workers of America ("UAW") responds in support of the Debtors' request for approval of the UAW Special Attrition Program in their Motion for Order Under 11 U.S.C. § 363(b) and Fed R. Bankr. P 6004 Approving Debtors' Human Capital Hourly Attrition Programs ("Attrition Program Motion") and states as follows:

1. In complex and sometimes difficult discussions over the past several weeks, the UAW, on behalf of approximately 24,000 Delphi hourly employees for which it is the

authorized collective bargaining representative, General Motors (“GM”) and Delphi reached agreement on the UAW-GM-Delphi Special Attrition Program (“UAW Special Attrition Program”) described in the Attrition Program Motion. Through the UAW Special Attrition Program, eligible UAW-represented Delphi hourly employees will have incentivized opportunities to take voluntary retirements from Delphi. The program also creates new employment opportunities for 5,000 UAW-represented Delphi hourly employees to flow back to jobs at GM — an aspect of the program which will contribute to improved financial results for Delphi on a current and going forward basis.

2. The UAW supports Delphi’s request for Court approval of the UAW Special Attrition Program. In addition to providing the above-mentioned retirement and flow back job opportunities, the UAW Special Attrition Program affords protections to individuals electing retirement options contained therein. For example, through protections provided under Paragraphs 3.b.iv., 7.c. and 7.d. of the UAW Special Attrition Program Agreement, the agreement addresses concerns with respect to wage and benefits levels for employees voluntarily opting for placement in the special pre-retirement program. Given the uncertainty surrounding any potential Section 1113-1114 relief sought by the Debtors, these provisions were of paramount concern to the UAW and it would not have consummated the UAW Special Attrition Program Agreement without such protections. Accordingly, during the parties’ negotiations the UAW requested, and the Debtors agreed, that any order approving the UAW Special Attrition Program would expressly approve such protections.

3. The UAW’s support for approval of the Special Attrition Motion is not in any way an endorsement of, agreement with, or support for the manner in which Delphi has characterized its collective bargaining agreements with UAW, or Delphi’s account of labor cost

or operational issues in the Motion. A heavy-handed, lawyer-driven litigation process should only be a last resort option. If Delphi elects to initiate a confrontational Section 1113 litigation process, UAW will respond to the Debtors in that context.

4. It is worth noting that the UAW Special Attrition Program represents a positive step in the parties' efforts to address challenging issues. Despite the Debtors' pointed reference to an unchanged Section 1113 litigation schedule, UAW submits that the constructive results achieved in this agreement demonstrate the value of a consensual resolution of difficult and complex matters affecting tens of thousands of hourly employees and their families. Accordingly, for the foregoing reasons, UAW supports approval of the Attrition Program Motion.

Dated: March 24, 2006
New York, NY

/s/ Babette A. Ceccotti
Babette A. Ceccotti (BC 2690)
COHEN, WEISS AND SIMON LLP
330 West 42nd Street
New York, NY 10036
T: (212) 563-4100
F: (646) 473-8227

- and -

Niraj R. Ganatra
International Union, UAW
8000 East Jefferson Avenue
Detroit, MI 48214
T: (313) 926-5216
F: (313) 926-5240

Attorneys for International Union, UAW